where they need to be. I introduced last week a bill, the Affordable Prescription Drug Act, that addresses these issues head on. Drawing from intellectual property laws already in place in the United States for other products in which access is an issue, such as pollution control devices under the Clean Air Act, my bill would establish product licensing for prescription drugs.

If, based on criteria by the Department of Commerce, a drug price is so outrageously high that it bears no resemblance to pricing norms for other industries, the Federal Government could require drug companies to license their patent to generic drug companies. The generic companies could sell competing products before the brand name patent expires, paying the patent holder royalties for that right. The patent holder would still be amply rewarded for being first in the market, and Americans would benefit from competitively driven prices. Drug prices would then come down.

The bill would require drug companies to provide audited, detailed information on drug company expenses. And given that these companies are asking us to accept the status quo, in terms of high drug prices, the status quo that has bankrupted seniors and ignited health care inflation, they have kept us guessing about their true cost for all too long.

This is not some brand new untried proposal. Product licensing works in England. It works in France. It works in Israel. It works in Germany; it has worked in Canada. But there is another part of this issue. Through the National Institutes of Health, American taxpayers finance 42 percent of the research and development that generates new drugs. Private foundations, State and local governments, and other non-industry sources kick in another 11 percent. So the drug industry funds less than half of the research and development of new drugs.

In addition, the dollars that the drug companies do spend on research, the U.S. Congress has bestowed generous tax breaks on those dollars for the drug companies. At the same time, drug prices in the United States are twice or three times or four times what they are in every other country in the world.

So get this. Half the cost of prescription drug research and development is borne by U.S. taxpayers. U.S. taxpayers then give tax breaks for the money that they do spend for the research on prescription drugs by the drug companies. And American taxpayers are then rewarded by the drug companies by being charged the highest prices in the world, double, triple, four times what those prices are.

Mr. Speaker, it is time this Congress pass the Affordable Prescription Drug Act.

ENHANCING INFRASTRUCTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. METCALF) is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, citizens chronically complain about the state of America's public capital, about the dilapidated school buildings, condemned highway bridges, contaminated water supplies, and other shortcomings of the public infrastructure. In addition to inflicting inconvenience and endangering health, the inadequacy of the public infrastructure adversely affects productivity and the growth of the economy. Public investment, private investment, and productivity are intimately linked.

For more than two decades, Washington has retreated from public investment as costs of entitlements and of the interest payable on rapidly rising debt have mounted dramatically. State and local governments, albeit to a lesser extent, have also slowed investment. Their taxpayers became more frequently reluctant to approve bond issues to finance infrastructure. Whereas in the early 1970s, nondefense public investment accounted for 3.2 percent of the GDP, it now accounts for only 2.5 percent.

Widespread neglect of maintenance has contributed substantially to the failure of the stock of public capital assets to keep pace with the Nation's needs.

☐ 1800

For instance, the real nondefense public capital stock expanded in the past decades by a pace only half that set in the earlier postwar World War II period.

Evidence of failures to maintain and improve infrastructure is seen every day in such problems as unsafe bridges, urban decay, dilapidated and overcrowded schools, and inadequate airports.

The General Accounting Office study finds that education is seriously handicapped by deteriorating school buildings and that an investment of $110 billion is needed to bring them up to minimally accepted conditions. These problems take a toll in less visible and perhaps even more important ways, in unsatisfactory gains in private sector productivity, and a diminished rise in real income for the Nation at large, seemingly endless traffic jams, disruption to commuter rail service, and backed-up airport runways. And that is everyday experiences for Americans. They spell waste and inefficiency for the economy at large.

Congestion on the Nation's highways alone cost the Nation some $100 billion a year. Let me repeat that. Congestion on the Nation's highways alone cost the Nation some $100 billion a year according to a Competitiveness Policy Council estimate in 1993. And that was 1993. It does not include the cost of added pollution and wear and tear on the vehicles.

That is the bad news. Now the good news. There is help on the way in the form of legislation directly targeted for infrastructure renewal. This legislation is designed to help the Nation take a significant step toward overcoming its infrastructure deficit and promoting the productivity needed to meet the competitive challenges of the 21st century. The plan is fiscally sound. It follows the best accounting procedures of the private sector and is designed to recognize the statutes that mandate a balanced Federal budget.

In salient ways it advances sound fiscal operation. The plan would provide $50 billion a year for mortgage loans to State and local governments for capital investments in types of projects specified by Congress and the President. These mortgage loans would be at zero interest. They would thereby cut the overall costs to local governments of the projects at least in half, depending on the prevailing interest rate for local and State taxpayers.

The principals of these loans would be paid in annual installments. Repayment would depend upon the type of project, but no mortgage would be for a period of more than 30 years. The simple fact is that the Nation is falling behind. Infrastructure improvements will enhance our economy, provide new jobs, increase safety for citizens, and help us compete in the global marketplace. This bill is necessary now to begin to rebuild our vital infrastructure as soon as possible.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. FILNER) is recognized for 5 minutes.

(Mr. FILNER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. MILLENDER-MCDONALD) is recognized for 5 minutes.

(Ms. MILLENDER-MCDONALD addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

(Mr. DAVIS of Illinois addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

(Ms. JACKSON-LEE of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Mrs. MEEK) is recognized for 5 minutes.